Oakland Housing Authority

Department of Community and Family Partnerships
Homeownership Program

Frequently Asked Questions

Q1: What is the Section 8 Homeownership Program and how does it work?

Answer: The Section 8 Homeownership Program is offered to eligible Oakland Housing Authority (OHA) residents and allows them to have their housing subsidy applied towards a monthly mortgage payment, once a home is purchased. Residents who wish to join the program must meet certain requirements. There is an interest list. Residents are required to attend a homeownership orientation and an education course to prepare for homeownership. Participants select a home to purchase and are responsible for qualifying for financing through a lender. Participants are guided through the process of buying a home by their OHA homeownership coordinator.

Q2: Who is eligible to participate in the Section 8 Homeownership Program?

Answer: To meet the minimum program requirements, the participant:

- Must be an OHA resident in "good standing" with no lease violations or outstanding rent payments and may not have owed a debt to the Oakland Housing Authority within the past five years.
- Must be a first-time homebuyer based on HUD's definition (i.e. no family member has owned or had ownership interest in their residence for at least three years).
- Must earn a minimum gross annual income (for the family) equal to the City of Oakland minimum wage multiplied by 2000 hours, based on the income of the adult family members who will own the home. (For example, a family must earn $28,280 based on the City of Oakland current minimum wage of $14.14 as of 1/1/2020.)
- Must be employed on a full-time basis for at least one year before the homeownership assistance begins. (full-time = 30 hours/week on a consistent basis)
- The minimum income requirement for elderly (62+) or disabled families (head of household or their spouse) is equal to the current SSI monthly payment for an individual living alone, multiplied by twelve (12). (For example, 783 X 12= $9,396 as of 1/1/2020)
- Must have a credit score of 640 or above for mortgage applicants.
- Must meet minimum savings requirements, which are 3.5% of the purchase price for working families or 1% of the purchase price for disabled and elderly families.
- Must not have defaulted on a mortgage under the homeownership option for any reason.

Q3: Which homes are eligible for the program?

Answer: The home must be located within Oakland and must be a single-family residence. The home purchased must be owner-occupied. This means you must live in the home and that the home may not be subleased or used as a rental property. There are two home inspections that are required: an inspection performed by an independent home inspector selected by the buyer, and an inspection conducted by OHA to determine whether the property meets Housing Quality Standards (HQS). The types of home a participant may choose include: condominiums, town homes, houses, cooperatives, manufactured/modular homes and land trust homes (BMR homes). The Homeownership Program does not allow participants to purchase properties consisting of more than one unit (i.e. duplexes, triplexes or homes with in-law units).

Q4: How much will I pay monthly?

Answer: The Section 8 Homeownership Program is very similar to the Section 8 Rental Program. You pay 30% of your monthly adjusted income towards your monthly mortgage costs. OHA pays the remainder (up to the Section 8 payment standard the family qualifies for) of the monthly mortgage payment. The same payment standard is used for both the rental and homeownership programs. Any amount over the payment standard is the participant's responsibility. However, the participant's payment cannot exceed 40% of their gross monthly income.

Q5: How much will it cost to buy a home?

Answer: The cost of buying a home varies. Purchasing a home requires a down payment and money for closing costs. Closing costs include loan fees, title company fees, city and county taxes, and transfer fees. Closing costs are approximately 3% of the purchase price. There are programs available through the City of Oakland and the State of California and local non-profits that can assist with down payment and closing costs. However, these additional funds are not guaranteed. OHA also requires participants to obtain an independent home inspection, which typically costs $300-$600. You may use gifts and grants to come up with additional money needed to purchase a home. However, the minimum requirements of 3.5% (working families) or 1% (disabled/elderly families) must come from the buyers own funds.

Q6: What if my credit is not perfect now?

Answer: If your credit is not perfect, you are not alone. The Family & Community Partnerships Department (FCP) can connect you with a local non-profit organization that provides free credit counseling and financial education. Purchasing a home is a process that does not happen overnight. If homeownership is your goal, start preparing now by focusing on strengthening your credit and money management skills.

Q7: What if I want to sell, move or refinance?

Answer: Participants can sell or refinance their home, but they must notify OHA prior to doing so. OHA must approve the terms of the refinance or sale. Participants must also obtain approval from any second mortgage holder (i.e. City of Oakland's Mortgage

Assistance Program). If a participant wants to move out of Oakland (port out) and continue their Section 8 Homeownership assistance, they must notify their homeownership coordinator and move to another city that also has a Section 8 Homeownership program. Otherwise, they may move to another city that does not have a Homeownership program, but will lose their Section 8 Homeownership Assistance.

There are no recapture or resale restrictions under the Section 8 Homeownership Program. However, many of the down payment assistance programs do have recapture and/or resale restrictions and you will have to abide by their rules and restrictions.

Q8: How long will the process take?

Answer: Each participant will achieve homeownership in his or her own time. Each participant has a different financial history (credit, debt, savings) and different family circumstances. You will work closely with your homeownership coordinator to accomplish your goal of homeownership at a pace that is right for you. Becoming a homeowner is a journey, not a race. Once you are ready, a homeownership counseling agency will guide you through the steps required to become a homeowner.

Q9: How do I find a lender and realtor?

Answer: Participants select a home to purchase and are responsible for qualifying for financing through a lender. We have resource lists of local partners who are familiar with our OHA's homeownership program guidelines. If you choose to work with an organizations/realtor/lender that is not familiar with the program, a homeownership coordinator must give them an orientation and explain the program guidelines before they begin working with you.

Q10: How do I get started?

Answer: There is currently an interest list for the homeownership program. You may review the OHA Section 8 Homeownership Program booklet to see steps that you can begin taking. You may also find additional information about our program on the Oakland Housing Authority's website www.oakha.org.

Q11: What other services are offered through the Family & Community Partnerships (FCP) Department that will assist me with achieving my goal of homeownership?

Answer: FCP's mission is to support families in meeting their education, employment and health goals consistent with OHA's mission to promote civic involvement and economic self-sufficiency. We offer a number of services that support the whole person & family achieve self-Sufficiency. Our services include:

- Family Self Sufficiency
- Employment Development
- Education Initiatives (Children & Adults)
- Civic Engagement & Leadership Development

- Supportive Services (including resources for childcare, healthcare, food support & clothing giveaways)

You will find additional information about FCP's programs and services on the Oakland Housing Authority's website www.oakha.org.